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**SUMMARY**

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# POLICY CONSIDERATIONS IN EXPANDING INDUSTRIAL DEVELOPMENT

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# POLICY CONSIDERATIONS IN EXPANDING INDUSTRIAL DEVELOPMENT

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## SUMMARY

1. During the past decade, there has been a rapid and great increase in speculation by Western social scientists about the problems of economic and industrial growth in the less developed countries. This has been reflected in a growing body of literature ranging from theoretical exploration of the various socio-economic factors in development to practical guides for industrial project design.

2. Because theoretical exploration of development is relatively new, as applied to new arrivals at the threshold of economic modernization, criteria and interpretations are very often based on commonly accepted historical sequences of Western experience. It is entirely likely, however, that new and different sequences will occur in this latter day industrial revolution if only because of the scientific and technological advantages which are available today, and which were not known during comparable stages of Western industrial development.

3. Present theoretical analysis of the problem is therefore tentative. Innovation and adaptation of theoretical and practical guides will be necessary as more relevant empirical data and research show the way for change.

4. Each developing country has unique characteristics and problems which derive from its culture and its history; and development will therefore evolve through discrete national realizations of this process.

5. Common economic denominators of less-developed countries are shortage of foreign exchange, an inadequate rate of savings, insufficient investment capital, and a relatively low per capita income. These common denominators imply, in most cases, the need for external assistance.

6. The national development plan is probably the most useful starting point for:

(a) establishing goals, and identifying possibilities of choice, based upon a rational appraisal of a country's economic potential;

(b) taking account of unique socio-economic characteristics;

(c) setting down time periods of practical attainability;

(d) exposing and remedying deficiencies in data collection and analysis;

(e) rationalizing the need for external assistance; and

(f) illuminating areas for needed research and analysis and new theoretical approaches to problems.

Modern techniques of data collection and analysis in the areas of censuses, earth sciences, et cetera; modern techniques of training and institution building; and modern techniques of national income analysis and project evaluation and selection can be extremely helpful in creating or improving national plans and their implementation.

7. Aggregate goals and limitations of the economy over time can be shown through macro-economic analysis. Methods exist for project analysis which show the relationship of a project to the national plan, and the factors which make the choice of one project economically more advantageous than the choice of another.

8. These techniques already have demonstrated their utility for Western industrialized countries. They do not depend for their effectiveness upon conformance to any impractical theory or restrictive dogma. Creative modification in their use is needed, however, for better planning and management by developing countries.



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